

**Exhibit C**

KRX 2012-07

# Guide to trading of over night **KOSPI 200 Futures** on CME Globex Daily Futures on **KOSPI200 Options** on Eurex



Derivatives Market Division



**KRX**  
KOREA EXCHANGE

WORLD-CLASS  
PREMIER EXCHANGE

KRX 2012-07

# Guide to trading of over night **KOSPI 200 Futures** on CME Globex Daily Futures on **KOSPI200 Options** on Eurex





# Guide to trading of KOSPI 200 Futures on CME Globex

## CONTENTS

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- 05 I. Need to extend trading hours of KOSPI200 Futures**
- 06 II. Procedures of Handling KOSPI200 futures for Globex trade**
- 07 III. Procedure for Globex trade**
  - 1. Order placing
  - 2. Order Matching on Globex
  - 3. Settlement of contracts traded on Globex
  - 4. Publication of price data of Globex Trade, etc.
- 13 IV. Order Entrustment for Globex Trade**
  - 1. Opening accounts for Global Trade
  - 2. Method of placing order for Globex trade
  - 3. Refusal to accept order entrustment by member firms.

**【Summary of KOSPI200 Futures Traded on Globexs Platform】**

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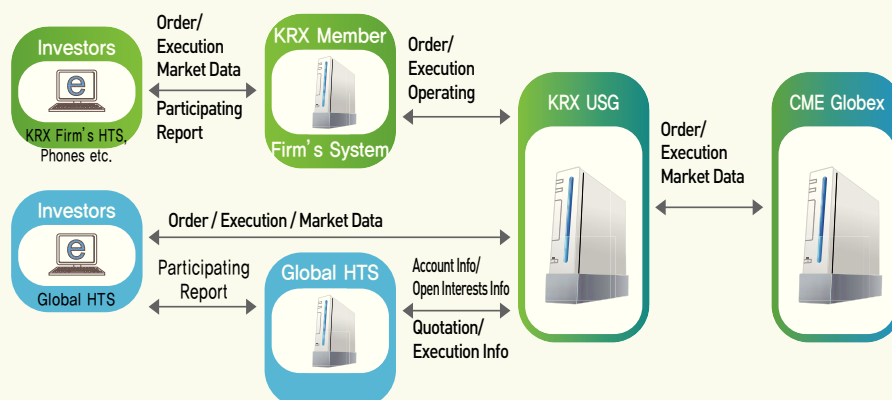
## Need to extend trading hours of KOSPI200 Futures

To facilitate the trading of KOSPI200 futures while the regular session of Derivatives Market ("DM") of KRX is closed, KRX made a collaborative arrangement with CME (Chicago Mercantile Exchange) to trade KOSPI 200 futures on CME Globex platform.

### Outlines of collaboration

<b>Product</b>	·KOSPI200 Futures (except for Spread)
<b>Objective</b>	·To trade KOSPI200 Futures using electronic trading platform while the regular session of DM is closed.
<b>Guiding Principle</b>	·While the orders are matched on CME Globex platform, KOSPI200 futures traded on Globex are treated as a product listed on the DM of KRX. ·Therefore, KOSPI200 futures traded on Globex are subject to the rules and regulations of the DM of KRX(including the market oversight regulations).
<b>Settlement</b>	· T+1 settlement by aggregating the positions from Globex trade with the positions of the regular session on the next trading day.

### [Schematic Overview of KOSPI200 Futures Trade on Globex]



\*USG : Unified System for Global trade



## Procedures of Handling KOSPI200 futures for Globex trade

Since November 16, 2009, KOSPI200 Futures have been available for trading on Globex platform after the closing of regular session of DM of KRX (i.e., from 18:00 hour to 05:00 hour on the next day).

As a result of trading KOSPI200 futures while the exchanges in Europe and North America are open facilitates, the investors are able to manage their risk (particularly the risk associated with the volatility of overseas markets) more efficiently and implement new investment strategies.

### KRX vs CME

KRX	KST	CME
Regular Session KOSPI200(F)	09:00~15:15	-
Transmission of Price data to CME	16:00~16:30	-
-	16:30~17:10	Transmission of issue data after incorporating the price data to KRX
USG preparation Verification of consistency of batch file by KRX member firms	17:10~17:40	-
Receipt & routing of orders for Globex trade	18:00~05:00	Trading on Globex
Transmission of Trading log to member firms	05:00~05:40	-
Preparing for Regular Session, with the data received from USG[KRX members]	05:40~08:00	-

I. Need to extend trading hours of KOSPI200 Futures

II. Procedures of Handling KOSPI200 futures for Globex trade

III. Procedure for Globex trade

IV. Order Entrustment for Globex Trade



## Procedure for Globex trade

### 1 Order placing

Method of placing an order for Globex trade is basically the same as the method of placing an order in the regular session. However, only the limit order is permitted for Globex trade, and the order may be affixed with FOK\* or IOC\*\* condition.

- \* Order affixed with Fill Or Kill (FOK) condition means that unless the entire quantity of order is matched immediately, the order is to be cancelled.
- \*\* Order affixed with Immediate Or Cancel (IOC) condition means to execute any quantity of order that can be matched immediately and cancel the unmatched quantity of order.

Category			Regular Session	Globex Trade
Cancellation	Cancellation of entire quantity <sup>1)</sup>		·Order canceled	·Order canceled
	Cancellation of a part of quantity <sup>2)</sup>		·Remaining quantity hold	N/A
Correction	price only	Price for total quantity <sup>3)</sup>	·Priority lost	·Priority lost
		Price for partial quantity <sup>4)</sup>	·Corrected quantity loses priority ·Remaining quantity holds priority	N/A
	quantity only	Quantity reduction <sup>5)</sup>	N/A	·Priority hold
		Quantity increase <sup>6)</sup>	N/A	·Priority lost
	Price and Quantity at the same time		N/A	·Priority lost

1) **Cancellation of entire quantity:** Cancellation of entire quantity of an order

2) **Cancellation of partial quantity:** Cancellation of partial quantity of an order

3) **Price correction (entire quantity):** Correction of price for entire quantity of order (quantity remains unchanged)

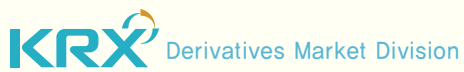
4) **Price correction (partial quantity):** Correction of price for partial quantity of order

5) **Correction of quantity (reduction):** Correction of order quantity into a smaller quantity (price remains unchanged)

6) **Correction of quantity (Increase):** Correction of order quantity into a larger quantity (price remains unchanged)

7) **Correction of Price & quantity:** Correction of order price and quantity into different price and quantity at the same time





An order for Globex trade may be cancelled only when the entire quantity of order is cancelled, but it is possible to correct both the price and quantity of Globex order at the same time.

KRX may refuse to accept an order, in whole or in part, that is placed at an excessive price, because it may trigger a system error

As shown below, the quantity limit of order placed for Globex trade is 1/10 of quantity limit in the regular session and the daily price limit of order for Globex trade is  $\pm 5\%$ , 1/2 of that in the regular session. The base price is the same as the base price of regular session on the next trading day.

Category	Regular session	Globex Trade
Quantity limit	·1,000 contracts	·100 contracts
Price limit	· $\pm 10\%$ of base price	· $\pm 5\%$ of base price
Base Price	·Settlement price of previous trading day	·Base price of regular Session for the next trading day.

## 2 Order Matching on Globex

On Globex, orders are matched using multiple price auction method (note that single price auction is not used for Globex Trade). The request for correction of trading error made on Globex is processed while the correction of error trades is processed in the regular session (09:00 ~ 15:45) on the next trading day..



I. Need to extend trading  
hours of KOSPI200 FuturesII. Procedures of Handling KOSPI200  
futures for Globex trade

III. Procedure for Globex trade

IV. Order Entrustment for Globex Trade

Category	Regular session	Globex Trade
Opening price	·By single price auction	·By multiple-price auction
Trading hour	·By multiple-price auction	·By multiple-price auction
Reopen after suspension of trade	·By single price auction (for the first 10min.)	·In case of resuming trading after trading suspension caused by failure of USG, the time for order cancellation is given before starting multiple price auction ·In case of resuming trading after trading suspension caused by failure of KRX derivative system or any other temporary trading halt, by multiple price auction
Closing price	·Single price auction (for the last 15min.)	·By multiple-price auction

## 【 Comparison of Trading Rules 】

Type	Regular Session	Globex Trade
Daily Price Limit	· $\pm 10\%$ of Base Price	· $\pm 5\%$ of Base Price
Trading Hour	·09:00 ~ 15:15	·18:00 ~ 05:00 of next day (KST)
Quantity Limit of quote	·1,000 contracts	·100 contracts
Order Types	·Market order, limit order, immediately executable limit order or limit-to-market-on- close	·Only Limit order
Matching method	·Multiple or Single Price auction	·Multiple price auction only
Publication of quote Price	·On the basis of quote price unit, the price and quantity of best 5 consecutive quotes, including the best quote. ·Total quantity of quotes per bid/ask	·On the basis of remaining quantity, the price and quantity of best 5 consecutive quotes, including the best quote ·Total quantity of quotes is not published



### 3 Settlement of contracts traded on Globex

KOSPI200 futures contracts traded on Globex are settled together with the trade results of regular session on the next trading day. Positions of Globex are automatically offset against the short and long positions of regular session on the next trading day.

**For example ;**

1. Assuming 2 KOSPI200 futures contracts are sold on Globex, 2 short open interests remain
2. 2 short open interests are turn into as regular session position on the next trading day (T+1 day)
3. 2 open interests may be closed off on T+1 day or kept.
4. After closing of regular session, 2 open interests are offset along with the regular session positions on T+1 day

Day	Session	Time	Trading	Balance	Note
T	On Globex	18:00~05:00	Selling 2	Selling 2	Open interests
T+1	Regular Session	09:00~15:15	Buying 5	Buying 3	Offset against Regular Trade
	End of Regular Session	15:15	-	Buying 3	Open interests
	Settlement Process	15:15~18:00	-		To be settled

I. Need to extend trading  
hours of KOSPI200 FuturesII. Procedures of Handling KOSPI200  
futures for Globex trade

III. Procedure for Globex trade

IV. Order Entrustment for Globex Trade

Session	Time	Trading	Balance	Note
Regular Session	T day	Buying 50 contracts	Long position 50 contracts	-
On Globex	18:00 on T day ~ 05:00 of next day	Selling 30 contracts	Long position 20 contracts	50 - 30*
		Buying 10 contracts	Long position 30 contracts	20 + 10*
Regular Session	09:00 on T+1 day	-	Long position 30 contracts	-
	09:00 ~ 15:15 on T+1 day	Selling 40 contracts	Short position 10 contracts	30 - 40*
		Buying 30 contracts	long position 20 contracts	30 - 10*
	15:15 ~ on T+1 day	-	long position 20 contracts	Marking to market**
	Noon on T+2 day	-	long position 20 contracts	Settlement between Member firm & investor
	16:00 on T+2 day	-	long position 20 contracts	Settlement between KRX & Member firm
	Last trading day	-	long position 20 contracts	Final settlement***

\* Long and short open interests are offset in matching quantity without distinguishing them if they are resulted from the regular session or Globex trade.

\* \* The base price applied to the open interests from Globex trade on T-day is calculated from the regular session of next day (T+1 day). Then, Marking-to-market and customers margin are calculated using this base price.

\* \* \* The base price of previous day from last trading day is used for the final clearing and settlement of the open interests of Globex trade on T-day.

#### 4 Publication of price data of Globex Trade, etc.

Publication method of market data of Globex trade is basically the same as the publication method used for the regular session. However, there are 2 differences.

First, the basis used in publishing quote price is different. The quote price published in the regular session is based on the price unit, while Globex quote price is based on remaining quote quantity.

Second, total quantity of bid/ask quotes is not made available in case of Globex trade.

Term.	Time	Updating period
KRX HTS/GTS	Trading hour	Real time
	After closing trading session	Closing Price
KRX Web	Trading hour	N/A
	After closing trading session	Closing Price

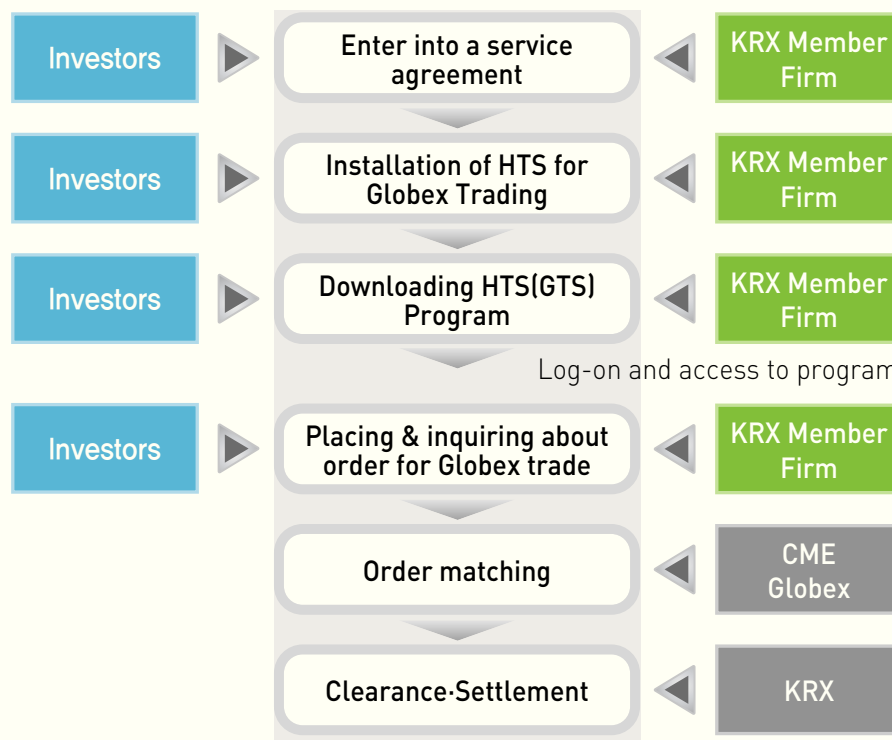


## Order Entrustment for Globex Trade

### 1 Opening accounts for Global Trade

An investor intending to participate in Globex Trading is required to open an account for Globex trade, in addition to the derivative account he/she may have. It should be noted that an investor is not permitted to open an account for Globex trade without opening a derivative account.

Also, it is necessary for the investor who has been participating in Globex trade through CME member to open a derivative account with a KRX member firm. In this case, the KRX members are required to explain and distribute the service agreement for Globex trade, as well as the risk notification, to the investor wishing to participate in Globex trade.



## ② Method of placing order for Globex trade

Investors can participate in Globex trade using USG, developed and operated by KRX and connect to USG is facilitated through HTS exclusive for Globex trade.

You can trade KOSPI200 Futures on Globex through either HTS or GTS and it depend on policy of KRX member firms you hold accounts at.

	Types of accounts used for Globex trade
Policy	<p>·<b>Basic Principle : Member's self-dealing account, upfront initial &amp; ex-post margin regular account.</b></p> <p>⇒ Except for : basic deposit shortage or ex-post margin discount accounts(for Globex trade, arbitrage or hedge trades are not be discriminative from ordinary trades)</p> <p>·<b>Designation of a special account for Globex trade :</b>  <b>Investors(or trustee, if necessary) should consider total deposit and open interests in their account in advance and then choose an account for Globex trade.</b></p> <p>⇒ Adding up or opening extra accounts for Globex trade is allowed.</p> <p>⇒ The investor, whose accounts need additional balance, might be limited in trade increasing risks by KRX member firm's discretion.</p>

### Participating Process for HTS



Opening Account for CME-linked Market(New Client)/Contract for entrustment(Off/on line)

Downloading and installing HTS application from KRX member firm Web page

Execution HTS application and ID/PW with certificate and entering order into the platform.